THE BANK OF TORONTO, TORONTO

EIGHTY-NINTH ANNUAL REPORT

NOV. 30, 1944

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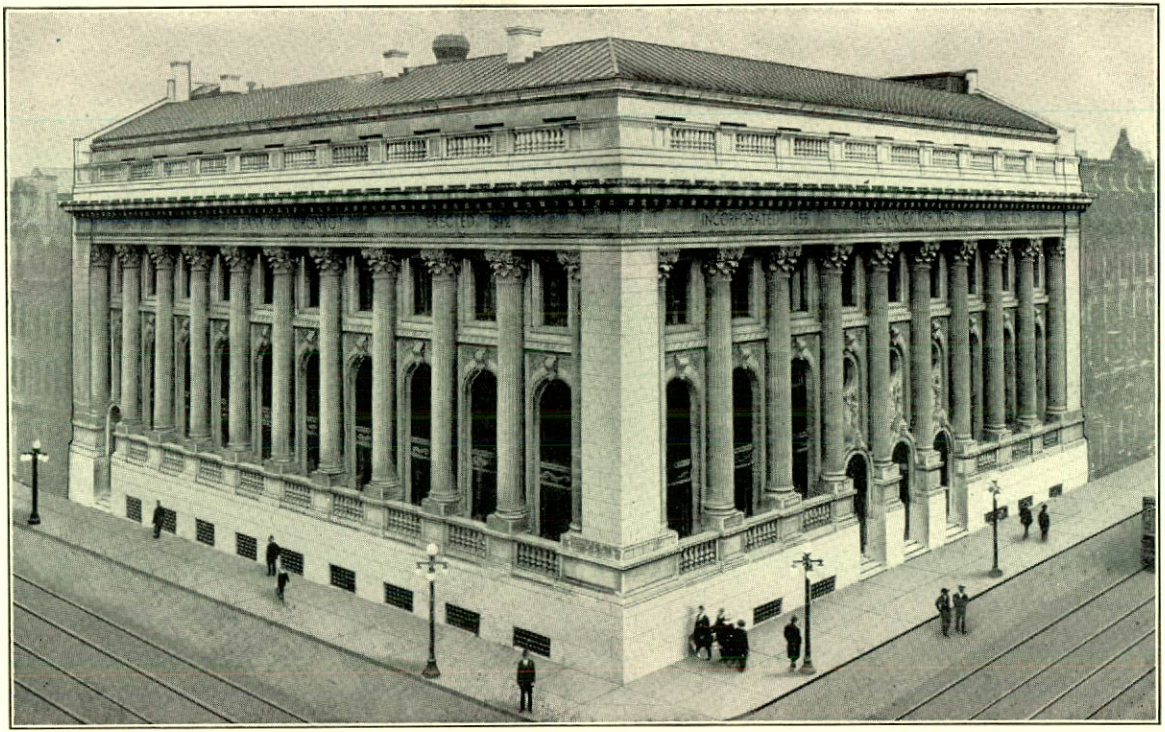


THE BANK OF TORONTO, TORONTO

To Our Shareholders

THE record of Canada's achievements in this war is something of which every Canadian can be truly proud, and we on the home front must see that there shall be no slackening in the support we provide for our fighting men.

Year by year your bank continues to share to a greater extent in the business of the country, and since 1939 has played an important part in Canada's vast war effort. With expanding resources it will be even better equipped to assist in financing post-war development.

Your co-operation in securing new clients for the bank will be greatly appreciated.

B. S. VANSTONE,
General Manager.

THE BANK OF TORONTO

BOARD OF DIRECTORS

PRESIDENT

F. H. MARSH, TORONTO.
- Previously General Manager of The Bank of Toronto.
- Director Dome Mines Limited.
- " The Excelsior Life Insurance Company.

VICE-PRESIDENTS

PAUL J. MYLER, HAMILTON.
- Chairman Canadian Surety Company.
- Director Canadian Westinghouse Company Limited.
- " Canada Steamship Lines Limited.
- " The Toronto General Trusts Corporation.
- " Westinghouse Air Brake Company, Pittsburg.
- " Westinghouse Electric & Manufacturing Company, Pittsburg.

JAMES L. CARSON, TORONTO.
- Previously Assistant General Manager of The Bank of Toronto.

DIRECTORS

MAJ.-GEN. F. S. MEIGHEN, MONTREAL.
- President Canada Northwest Land Company.
- " The New Brunswick Railway Company.
- Director Canadian Pacific Railway Company.

FREDERICK K. MORROW, TORONTO.
- Chairman Wilsil Limited.
- " Loblaw Groceterias Inc.
- Director Canadian International Paper Company Ltd.
- " Federal Fire Insurance Company.
- " Massey-Harris Co. Limited
- " The Ogilvie Flour Mills Co. Limited.
- " Remington Rand Limited.

J. DOUGLAS WOODS, TORONTO.
- President York Knitting Mills Limited.
- Director Gordon Mackay & Company, Limited.
- " Production Engineering Limited, London, England.
- " The De Havilland Aircraft of Canada Limited.

GEORGE KIDD, VANCOUVER.
- Vice-President British Columbia Pulp & Paper Co. Limited.
- " " Bralorne Mines Limited.
- Director British Columbia Packers Ltd.
- " Canadian Collieries (Dunsmuir) Limited.
- " McLennan, McFeely & Prior Ltd.

THE BANK OF TORONTO

DIRECTORS—CONTINUED

AUBREY DAVIS, NEWMARKET.
- President Davis Leather Co. Limited.
- Chairman Davis Canadian Leathers Ltd., Leicester, England.
- Vice-President The Toronto General Trusts Corporation.
- Director Canadian Oil Companies Limited.
- " St. Lawrence Paper Mills Co. Limited.
- " Lake St. John Power & Paper Company Ltd.

EDWARD D. GOODERHAM, TORONTO
- President Canada Permanent Mortgage Corporation.
- " The Canada Permanent Trust Company.
- " The Dominion of Canada General Insurance Company.
- " The Casualty Company of Canada.
- Director Hiram Walker-Gooderham & Worts Limited.

HARRY J. CARMICHAEL, C.M.G. ST. CATHARINES AND OTTAWA.
- President Toronto-St. Catharines Transport Limited.
- " Turbo Research Limited.
- Vice-President Conroy Manufacturing Co. Limited, St. Catharines.
- Director Buffalo Ankerite Gold Mines Limited.
- " Inspiration Mining & Development Co. Ltd.

HORACE T. HUNTER, TORONTO.
- President The MacLean Publishing Company Limited.
- " Tradepress Publishing Corporation, Chicago, Ill.

ARTHUR H. CAMPBELL, MONTREAL.
- President & Managing Director, Campbell, MacLaurin Lumber Co. Ltd.
- Director Crown Trust Company.
- " Fraser Companies Limited.
- " Lake St. John Power & Paper Co. Ltd.
- " Restigouche Company Limited.
- " St. Lawrence Paper Mills Co. Limited.
- " The New Brunswick Railway Company.

R. L. BEATTIE, COPPER CLIFF.
- Vice-President The International Nickel Company of Canada Limited.

J. J. VAUGHAN, TORONTO.
- Director The Eaton Knitting Co. Limited, Hamilton.
- " Maple Leaf Gardens Limited.

JOHN R. READ, HAMILTON.
- Chairman & President Canadian Westinghouse Company Limited.
- President Atlas Plant Extensions Ltd.
- " Hamilton Munitions Limited.
- Director B. Greening Wire Company Limited

JOHN J. E. McCAGUE, ALLISTON.
- President Holstein-Friesian Association of Canada.
- Vice-Chairman Canadian National Live Stock Records Committee.
- Vice-President Dairy Farmers of Canada.
- Director Canadian National Silver Fox Breeders Association.

THE BANK OF TORONTO

HEAD OFFICE, TORONTO

F. H. MARSH, *President*

J. L. CARSON	*Vice-President*
B. S. VANSTONE	*General Manager*
L. G. GILLETT	*Assistant General Manager*
P. J. HANLEY	*General Superintendent*
W. A. RUTHERFORD	*Chief Accountant*
F. G. CLEMINSON	*Executive Assistant*

SUPERVISORS' DEPARTMENT

E. S. BRAY, *Chief Supervisor*

R. S. BOOTH — A. F. SANDERS

W. G. M. WALKER

INSPECTOR
W. A. S. PETO

INSPECTOR
A. M. ROSS

STAFF SUPERVISOR
J. ALLAN

WINNIPEG

J. A. WOODS — *Assistant General Manager*

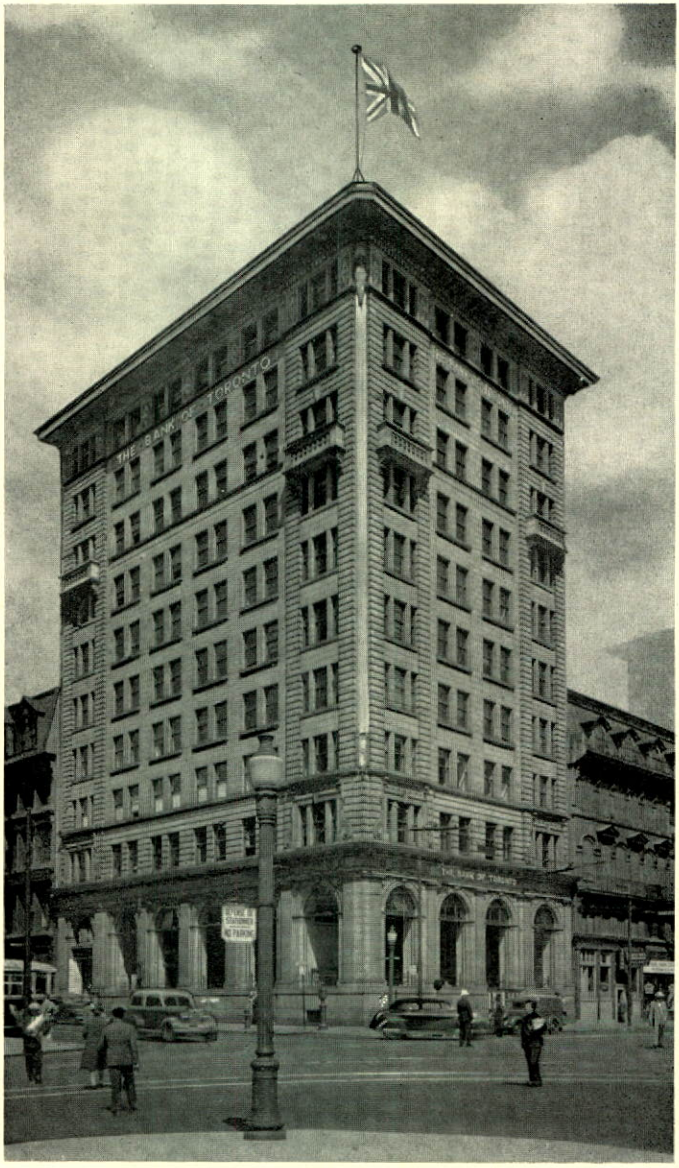
VANCOUVER

W. B. McCRIRICK — *Superintendent of British Columbia Branches*

AUDITORS FOR 1945

GEOFFREY T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
Toronto, Ont.

W. D. GLENDINNING, F.C.A.
of Glendinning, Jarrett, Gray & Roberts
Toronto, Ont.



THE BANK OF TORONTO, MONTREAL

THE BANK OF TORONTO, VANCOUVER

THE BANK OF TORONTO

EIGHTY-NINTH

ANNUAL REPORT

NOVEMBER 30th, 1944

INCORPORATED 1855

CAPITAL AUTHORIZED - -	$10,000,000.00
CAPITAL PAID-UP - - -	6,000,000.00
RESERVE FUND and UNDIVIDED PROFITS -	13,486,609.46

THE BANK OF TORONTO

PROCEEDINGS OF THE

EIGHTY-NINTH ANNUAL GENERAL MEETING

HELD ON

WEDNESDAY, 17TH JANUARY, 1945

The Annual General Meeting of the Shareholders of The Bank (being the Eighty-Ninth since the commencement of business) was held, pursuant to the terms of the Charter, at the Banking House of the Institution, corner King and Bay Streets, Toronto, on Wednesday, 17th January, 1945.

Moved by MAJOR-GEN. F. S. MEIGHEN, seconded by Mr. J. D. WOODS, and

Resolved—That Mr. F. H. MARSH be appointed Chairman of the Meeting and that Mr. L. G. GILLETT be requested to act as Secretary.

Carried

Moved by Mr. E. D. GOODERHAM, seconded by Mr. A. H. CAMPBELL, and

Resolved—That the Minutes of the last Annual Meeting, printed copies of which were sent to all shareholders, be taken as read and confirmed.

Carried

Moved by Mr. R. L. BEATTIE, seconded by Mr. W. G. WATSON, and

Resolved—That Mr. W. M. HARGRAFT and Mr. PAUL M. HARRIS be appointed scrutineers, and that after the ballot they report to the Chairman.

Carried

The Secretary then read the Annual Report as follows:—

The Directors of The Bank of Toronto beg to present their Report for the year ending 30th November, 1944, together with the Statement of the Bank's affairs and the results of the operations for the year.

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1944, after providing $250,000.00 for Staff Pension Fund, $687,965.38 for Dominion Taxes and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made	$1,146,271.11
Written off Bank Premises	150,000.00
	996,271.11
Dividends	600,000.00
Balance of Profits carried forward	396,271.11
Profit and Loss Balance 30th November, 1943	1,090,338.35
Profit and Loss Balance 30th November, 1944	1,486,609.46

F. H. MARSH,
President.

B. S. VANSTONE,
General Manager.

The Head Office and all Branches have been regularly inspected by the Bank's Inspection Staff, and at the Head Office the usual verification of cash and securities has been made.

The Auditors appointed by the Shareholders, Mr. G. T. Clarkson, F.C.A. and Mr. W. D. Glendinning, F.C.A., made their examination of our Head Office and principal Branches, and their report accompanies the General Statement herewith.

All of which is respectfully submitted.

F. H. MARSH,
President.

THE BANK OF TORONTO

GENERAL
NOVEMBER

ASSETS

Gold and Subsidiary coin held in Canada	$ 458,661.18	
Notes of Bank of Canada	7,136,203.00	
Deposits with Bank of Canada	21,916,881.19	
Notes of and Cheques on other banks	11,475,130.61	
Government and bank notes other than Canadian	207,222.09	
Due by banks and banking correspondents elsewhere than in Canada	5,104,518.75	$46,298,616.82
Dominion Government direct and guaranteed Securities maturing within two years, not exceeding market value	72,317,658.92	
Other Dominion Government direct and guaranteed Securities, not exceeding market value	91,510,398.55	
Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	4,851,865.23	
Other Provincial Government direct and guaranteed Securities not exceeding market value	8,182,937.32	
Canadian Municipal Securities, not exceeding market value	1,228,410.75	
Other Bonds, Debentures and Stocks, not exceeding market value	4,896,161.80	
	182,987,432.57	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	4,965,710.00	187,953,142.57
		234,251,759.39
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	60,673,758.28	
Loans to Provincial Governments	146,030.81	
Loans to cities, towns, municipalities and school districts	2,658,150.27	
Non-Current Loans, estimated loss provided for	19,693.30	63,497,632.66
		297,749,392.05
Liabilities of Customers under acceptances and Letters of Credit, as per contra		1,237,460.93
Mortgages on Real Estate sold by the Bank		8,294.34
Bank Premises, at not more than cost, less amounts written off		2,770,269.91
Deposit with the Minister of Finance for the security of note circulation		64,935.25
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes amounting to $197,841.71)		209,949.06
		$302,040,301.54

THE BANK OF TORONTO

STATEMENT
30TH, 1944

LIABILITIES

Notes in Circulation		$ 1,046,323.00
Deposits by and balances due to Dominion Government	$ 51,979,338.31	
Deposits by and balances due to Provincial Governments	4,085,057.08	
Deposits by the public not bearing interest	80,592,189.00	
Deposits by the public bearing interest, including interest accrued to date of statement	140,418,072.54	
		277,074,656.93
Deposits by and balances due to other chartered banks in Canada	593,026.47	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada	2,451,489.25	
		3,044,515.72
Acceptances and Letters of Credit outstanding		1,237,460.93
		282,402,956.58
Capital paid up	6,000,000.00	
Reserve Fund	12,000,000.00	
Dividends declared and unpaid	150,735.50	
Balance of profits as per Profit and Loss Account	1,486,609.46	
		19,637,344.96
		$302,040,301.54

F. H. MARSH,
President.

B. S. VANSTONE,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1944, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
W. D. GLENDINNING, F.C.A.
of Glendinning, Jarrett, Gray & Roberts

TORONTO, 20th DECEMBER, 1944

PRESIDENT'S ADDRESS

GENTLEMEN:

My first utterance on this occasion is to give expression to the great loss which the Bank has sustained in the death of Mr. John R. Lamb, Chairman of the Board of Directors of the Bank and internationally known as one of the foremost bankers in Canada.

Mr. Lamb joined the Bank in 1887 and was continually in its service for 57 years. He was appointed General Manager in 1922, Vice-President in 1926, President in 1935 and Chairman of the Board in 1942.

During this long period of 20 years his services to the Bank were invaluable. His wise judgment and outstanding ability throughout these two decades were largely responsible for the development and progress of the Bank, and his sense of fairness and qualities of mind built up a high degree of loyalty and respect in those privileged to be associated with him.

His loss will continue to be keenly felt over the years and the high standing of this institution, to which he contributed so much, will long remain a monument to his memory.

The Annual Statement before you and the General Manager's detailed comments thereon, discloses a sound position, a substantial increase in assets and a moderate gain in net profits.

Although the suggestion of a year ago that the war might end in 1944 has not been realized, tremendous strides have been made by the allied forces in practically every theatre of war and we have just cause to be profoundly thankful, but the task ahead is still immense and the end not yet in sight.

With the release of large territories from enemy control, we have entered a new phase involving military occupation, relief and the re-establishment of governments. The difficulties which are being encountered reveal how the viewpoints of these countries have changed and how flexible must be the means of dealing with them if normal life and stable government is to again prevail.

PROUD OF OUR WAR EFFORT:

We are proud that our military and economic strength is standing up to the supreme test. Canada continues to contribute powerful aid in men, materials and shipping, and, with our allies, will carry on to total victory.

The response of Canadians to the various Victory Loans has been outstanding in spite of heavy taxation. The voluntary subscriptions of approximately 8 billion, 7 hundred million dollars since the war commenced, evidence the whole-hearted effort of the Canadian people and

invite a well-deserved tribute to the excellence and efficiency of the National War Finance organization.

Great credit is due to our farmers who, with curtailed manpower and machinery, have through their own initiative and progressive enterprise and by working long hours, continued to make available in abundance the essential foodstuffs.

In 1943 the production of Canadian farms was valued at $1,397,270,000, an all-time record. For 1944 it is expected that the figure may approach $1,750,000,000. This tremendous production has brought a new prosperity to the Canadian farmer particularly in the Western provinces.

POST-WAR PROBLEMS:

The war has demonstrated the great productive abilities of our people when inspired by patriotic motives and their willingness to sacrifice in the cause of victory.

Victory, however, will not achieve Utopia. The aftermath will bristle with complex problems, of which the most important will be the change-over without delay to the maintenance of a high and stable level of peacetime employment. The responsibility for bringing this about attaches to both Government and business.

Business must accept its share of responsibility for the National welfare and direct its full management skill and all-out initiative to increasing its operations to the limit in order to create more employment.

Employers must be ever more conscious of the importance of workers as a group and as individuals; enlist their co-operation, acquire their confidence and enlighten them on the problems of management. This will tend to improve labor-management relations and make apparent to workers generally the fact that they have a better opportunity of attaining their desires under individual enterprise than under any form of state socialism. Nothing is of greater consequence to employees than a sense of employment security.

Canadian people, after their experience in the last depression, will not accept any lengthy period of unemployment. In this situation our Governments must be constructive, wise and firm, yet prudent in knowing where and when to stop. For the future of Canada, Canadians must continue to be free to create business and work, with Governmental power always in reserve to arbitrate and when necessary to act.

EXPORTS:

Canada is vitally interested in the plans being investigated and formulated by the various countries to promote a sound basis for international trade including currency stabilization.

The Canadian Government is fully alive to the importance of our export trade and its relation to a high standard of post-war employment, and is already taking important measures to promote such trade.

In the past Great Britain has been by far our largest customer. It seems apparent that after the war her exports will for a time at least be at a lower level than in pre-war years. Earnings from British shipping will probably be substantially down and undoubtedly income from British investments abroad will be much reduced due to liquidation during the war. Her buying abroad will inevitably be confined or nearly so to vital necessities at least for some years.

The same will apply to the wartorn countries of Western Europe. Nevertheless, the immediate need of foodstuffs, as well as lumber and metals with which to sustain, repair and rebuild the devastated nations, is likely to tax to the limit our ability to supply during the first two or three years following the end of war in Europe.

If Canada is to meet these pressing needs and at the same time serve her own best interests, she must take a broad-minded long-term view of her export trade, and to that end be as generous as is practically possible in extending credits and otherwise assisting those nations sorely in need of our products. It is essential also that new avenues of export business be explored to a much greater extent than has been the practice in the past.

There must be fewer barriers to the exchange of goods than formerly and a more complete understanding of the problems of other countries.

It must be remembered, too, that in international trade, sales must largely be offset by purchases and we must be prepared to import more than in pre-war years.

In the final analysis, however, our ability to compete successfully in the world's markets must depend chiefly on the cost of our products, which will be largely governed by the efficiency of post-war labour and its willingness to give full value for the high wages necessary to the maintenance of a good standard of living.

TAX STRUCTURE NEEDS REVISION:

The tax structure, which was built up hastily to meet the immediate needs of the war, is unfitted for the future. Its effect is to curb incentives to work and to save, and under the excess profits levy, the expansion of a business through internal growth is practically impossible. One of the first needs for post-war Canada is a complete overhaul of taxation, which must be accomplished with vision and a determination to see that honest effort is not stifled.

We regret to note numerous cases where individuals and groups, who for long years have successfully operated a particular industry, are being forced to sell or otherwise liquidate their business in order to prevent a sacrifice sale or liquidation of their holdings later for the purpose of meeting succession duties. This is not good for the economy of the country, especially at a time when the most experienced guidance is needed for the preservation and expansion of our industrial life. We sincerely hope that some workable reform will result from the detailed

study which is now being made by Ottawa of the entire problem of succession duties in combination with income tax as applied to business life.

As bankers in daily contact with borrowers and depositors throughout the country, we are impressed with the desire of most Canadians to stand on their own feet.

Much has been heard in recent years of the great fears of the individual—fears of want, of unemployment, of oppression, etc. Similar fears, too, have been and are being felt in marked degree by business, because business after all is not something apart from the individual, but in reality is the individual in the capacity of adventurer and employer. Unless the business man can be relieved of the handicap of uncertainty and feel free to develop and expand his activities without being subjected to new and unexpected restrictions, the individual worker, who is largely dependent upon business and industry to provide steady work, will necessarily continue to feel apprehensive as to his future.

SHAREHOLDERS' OWNERSHIP:

In times such as the present, tension and strain appear to promote criticism of systems and institutions—often of those that have best survived the test of the years.

In Canada a socialistic movement seeks to take away from the tens of thousands of shareholders their ownership of the banks in which they have invested their money, and to vest that ownership in a state monopoly. This is not intended by its supporters as a punitive measure for wrong-doing, nor is it designed to correct any evil practices. They acknowledge that banks are well operated, that they do not make excessive profits, and that they are well regulated by Parliament. They admit that they wish to take them out of the hands of the shareholders solely for the purpose of effecting control over all business and of the entire economy of the country, something impossible under the present system. The socialists have made it clear that their intention is to use the vast pool of individuals' deposits as a national fund wherewith they may finance grandiose schemes of so-called "planned economy" and also finance, as they themselves admit, enterprises which may be non-paying but, in their opinion, socially desirable.

Those who seek to erase the shareholders' investment are vocal and vociferous. They try to mystify people by representing banking as a great monopolistic organization operating from behind a veil of mystery. I am a firm believer in the capacity of the average Canadian to distinguish simple truth and separate it from political propaganda; therefore we should tell more fully and more often the simple facts about banks.

A bank, in essence, exists simply because it renders a service that the community needs and is willing to pay for at rates that will yield a modest profit to those who have invested their money in its shares. The banks have assisted Canada through all of the vicissitudes of national growth. They have served the country in good times and bad; prospered when the people prospered and suffered in times of depression. Over the

long years that the Canadian banks have been operating, their clients, depositors and borrowers alike, have had ample proof of the unquestioned worth of their obligations, of the integrity of their management and of the adequate margin of their assets over liabilities to depositors and others.

There is no mystery about banking, but considerations of secrecy as to clients' business not infrequently bar us from making replies to critics that would be irrefutable. Banks set high store upon the secrecy of their clients' business. How long this policy could be preserved if every branch bank manager were an appointee and an agent of a bureaucratic government is an open question. No state monopoly of banking could possibly operate at any lower cost to the country, nor could it serve as well as the competitive system which exists under free enterprise.

MINERAL RESOURCES:

My remarks would be incomplete if I did not refer to the great Canadian mineral industry and its importance to the economic wellbeing of the country as a whole.

I am not sure that full appreciation is accorded the vast empire of mineral resources with which Canada is endowed. From coast to coast across this country the mining industry is becoming more and more important as a prime factor in the Nation's economy.

Gold, platinum, radium; the base metals—copper, nickel, lead, iron and zinc; the non-metallics—oil, coal, asbestos and salt, have been wholly responsible for the many new mining communities now dotting formerly uninhabited areas. This great expansion of industrial energy requires transportation, power, population, wages, supplies and in return will add vital substance to the lifeblood of the nation.

There will be in Canada and the United States a great deal of venture capital available for investment during the early post-war period, substantial amounts of which will no doubt be attracted to Canadian mining.

If these funds are entrusted to dependable and experienced men, Canada over the years will be enriched by the new wealth produced and by the labour and supplies so used.

To this end it is desirable that supervision of the channels through which such money is invested be afforded by the Government.

May I say in conclusion that while in the postwar years Canada will be confronted with serious and difficult problems, when we compare our lot with that of other countries and take into consideration the rich background of our natural resources, we cannot but be conscious of and profoundly thankful that we are one of the most favored nations of the world. We are populated by a virile and resourceful people who have a deep appreciation of the lasting values of initiative and individual enterprise. With the application of sound principles to our problems and fair dealing to all, we can face the future with confidence.

GENERAL MANAGER'S ADDRESS

MR. CHAIRMAN AND GENTLEMEN:

The Eighty-Ninth Annual Statement submitted today covering the Bank's operations for the year ended November 30th, 1944, will, I feel sure, be regarded by you as a satisfactory one.

PROFITS:

After providing for all bad and doubtful debts as well as all contingencies which can be foreseen, the contribution of $250,000 to Officers' Pension Fund and Federal taxes of $687,965, net profits amounted to $1,146,271, an increase of $66,463 compared with those of the previous year. From this amount, $150,000 was written off bank premises, and after paying the regular dividend of $600,000, being at the rate of $1.00 per share, there remained a balance of $396,271 to be added to Profit and Loss Account, which now stands at $1,486,609.

The Bank's contribution to Officers' Pension Fund this year was increased by $100,000 by reason of the fact that the yield on Trustee securities, to which the Fund's investments are restricted, is considerably lower than formerly. The amount written off Bank Premises, on the other hand, was $100,000 less than usual, in view of the conservative figure at which our premises are now carried.

TOTAL ASSETS:

For the first time in the history of the Bank, total assets crossed the 300 million dollar mark and at $302,040,000 show an increase of $41,965,000 for the year. It is worthy of note that our total assets are now more than double those of 1938.

The liquid position of the Bank is very strong; $234,251,000 (or 82.94% of all liabilities to the public) being held in cash or assets readily convertible into cash. Cash and balances with other banks, including our deposit in the Bank of Canada, amount to $46,298,000.

SECURITIES:

Investments in securities, $182,987,000, show an increase of $43,464,000.

As now required by the Bank Act, Dominion of Canada direct and guaranteed securities are shown separately in our statement. Over 89% of our portfolio is invested in these securities, which total $163,828,000 an increase of $42,256,000. Those which mature within two years total $72,318,000, while $91,510,000 are of moderately longer dating.

Provincial securities, $13,034,000, and Canadian Municipal and other securities, $6,124,000, are approximately 7% and 3% of our investments.

CALL LOANS:

Call loans, $4,965,000, all in Canada, are higher by $2,593,000.

CURRENT LOANS AND DISCOUNTS:

Current loans, $60,673,000, show a slight increase of $329,000.

It is the aim of the Bank to employ a larger proportion of its deposits in current loans, and we welcome opportunities to extend credit facilities to agriculture and to commercial enterprises both large and small.

MUNICIPAL LOANS:

Loans to municipalities total $2,658,000, a decrease of $272,000. It is encouraging to note the improvement in the position of our municipalities due to greater efficiency in the handling of their affairs, curtailment of expenditures and more prompt tax payments. As a result they should in the postwar period be able to make necessary capital expenditures and thus create increased employment.

BANK PREMISES:

At $2,770,000 these show no material change.

During recent years only expenditures necessary to provide adequate service to our clients have been made and consequently considerable work will have to be undertaken as soon as conditions permit and labor and materials are available. Plans in connection with our post-war building programme are now receiving consideration.

NOTES IN CIRCULATION:

These total $1,046,000, a reduction of $246,000. The amount is gradually reducing since, as required by the Bank Act, the issuance of further notes by the chartered banks has been discontinued.

DEPOSITS:

Total deposits, $277,074,000, increased $41,563,000, which is quite good considering the heavy withdrawals again made for investment in Victory Loan Bonds.

Deposits from the public amounted to $221,010,000, an increase of $34,513,000. Non-interest-bearing deposits, $80,592,000, were up $4,914,000, while interest-bearing deposits, $140,418,000, increased $29,598,000, or nearly 27%.

Dominion and Provincial Government deposits, $56,064,000, increased $7,050,000.

BRANCHES:

During the year a branch was opened at Yellowknife, Northwest Territories.

INSPECTIONS:

All branches of the Bank were inspected during the year by the Bank's Inspecting Officers and the shareholders' auditors made the customary audit of cash, securities and loans at Head Office and the principal branches at Toronto, Montreal, Winnipeg and Vancouver.

STAFF:

It is a great pleasure to pay tribute again to our Staff and to record our appreciation of their exceptional loyalty and untiring efforts during this difficult and trying period.

The senior officers, in addition to their own increased duties and responsibilities, have had the further task of training new staff and are deserving of special commendation for what they have accomplished in this respect.

Many of our present staff have had only limited experience but they have applied themselves diligently and, with the supervision and assistance of the senior officers already referred to, have enabled us both to perform the special war-time functions assumed and to maintain our customary standard of service to the public.

The total staff numbers 1,576, of whom 66% are women. Over 500 are serving with the Armed Forces and of them we are justly proud. They are, of course, merely on leave of absence and all are assured not only of a position but a warm welcome on their return. There will be appropriate adjustments in salary for the time they have been away and we plan to afford them every assistance in re-establishing themselves. The standing of these members of the staff in the Pension Fund and Group Insurance Plan continues to be maintained at the Bank's expense and a Christmas bonus of $25 was sent to each one of them again this year.

Five of our men have during the year brought distinction to themselves and to the service, being awarded the Distinguished Flying Cross, and we congratulate them on this signal honour.

A year ago I mentioned that twenty-one of our gallant young men had given their lives, and it is with profound regret that I have to record that another six made the supreme sacrifice during the past year. To their relatives and friends we extend deepest sympathy.

Nine, we are sorry to say, are reported missing and six are still prisoners of war.

BANK ACT REVISION:

Last year marked the decennial revision of the Bank Act and although there was considerable discussion, the changes therein were of a comparatively minor nature and were made principally to enable the banks to grant credit more freely.

The Government passed the following other legislation which should also be of assistance in the financing of agriculture, trade and commerce: Farm Improvement Loans Act; National Housing Act; Export Credits Insurance Act; Industrial Development Bank Act.

Inner Reserves proved a contentious subject when the renewal of the charters of the banks was under consideration and therefore a few comments may be of interest.

The Directors and management of the bank are trustees of the money placed in their care by depositors, and safety of these funds is of first importance. Losses are bound to occur in banking just as in any other business and inner reserves are necessary in order to write down loans and other assets to their realizable value in accordance with the provisions of the Bank Act, as well as to provide some measure of protection for unforeseen contingencies. They must be adequate otherwise the safety of the institution might be jeopardized in times of stress. If they are insufficient an ultra-conservative loaning policy would be essential, which would be detrimental to business and industry. This would undoubtedly have a retarding effect upon the development of Canada. At no time were reserves more necessary than at present as the change-over of industry in due course to peace-time production will require a liberal lending policy on the part of the banks.

It has been the continuous policy of this Bank for many years, in fact during its entire history, to evaluate all assets yearly, setting up on a conservative basis, ample but not excessive reserves.

With improved conditions in recent years recoveries from debts written off and from appropriations for doubtful debts set up in former years and not required, have been sizable, materially increasing profits. As these appropriations were set up when taxation was much lower than at present, the result has been a large increase in the amount paid to the Government in the form of taxes. In the past four years your Bank has paid Federal taxes of $3,917,000, an average of over $975,000 annually compared to $328,000 in 1939, but in so doing we have had the satisfaction of knowing that we have borne a full share of the tax burden of our country.

In 1944 our taxes were considerably less than in the previous year due to a higher standard profit tax base and smaller recoveries.

To win the war remains our first and paramount objective and with this nothing must interfere or cause us in any way to relax our efforts. Nevertheless, as our armies and their Allies bring the day of victory nearer, we at home should be preparing for the postwar period, working with the same spirit, resourcefulness and unity of purpose which have been so evident throughout these years of strife. That industry and agriculture will meet with difficulties in the process of changing over to peace-time production is inevitable, and we desire to assist our customers in every way possible—with advice and guidance and by way of loans for conversion and expansion. Vision, courage and determination will be required by individuals and corporations alike to overcome the problems and difficulties ahead, but I am confident that we as a nation shall be equally as proud of our record in the postwar years as we have been of our accomplishments during the years of conflict.

Moved by Mr. F. H. MARSH, seconded by Mr. PAUL J. MYLER, and

Resolved—That the Report of the Directors and Statement which has now been presented be adopted. *Carried*

Moved by Mr. AUBREY DAVIS, seconded by Mr. H. T. HUNTER, and

Resolved—That By-Laws Number 29 and 51 be and they are hereby repealed, and the following By-Laws be and they are hereby enacted in substitution therefor—

By-Law 56—The number of the Directors of the Bank shall be not more than twenty nor less than twelve. Four Directors shall constitute a quorum for the transaction of business.

By-Law 57—The qualification of each Director shall be the holding of capital stock of the Bank on which not less than Six Thousand Dollars have been paid up provided that the Directors may from time to time by resolution of the Board reduce the qualification of any Director or person proposed as a Director to the holding of capital stock of the Bank on which not less than Two Thousand Five Hundred Dollars have been paid up but no such resolution shall be made or acted upon which would result in more than one quarter of the Directors in office having only such reduced qualification.

By-Law 58—In case of failure or omission in any year to elect the full number of twenty Directors at the Annual General Meeting of Shareholders, the Directors in office may at any time and from time to time elect as Director or Directors such duly qualified person or persons as they may name to bring the number of Directors in office up to twenty in all. *Carried*

Moved by Mr. ROY L. WARREN, seconded by Mr. J. GILL GARDNER, and

Resolved—That Mr. GEOFFREY T. CLARKSON, F.C.A., of Clarkson, Gordon, Dilworth & Nash, and Mr. W. D. GLENDINNING, F.C.A., of Glendinning, Jarrett, Gray & Roberts, be appointed Auditors of this Bank for the ensuing year, and that the remuneration for this work shall not exceed the sum of $15,000, to be divided between them in such manner as the Directors shall consider just and reasonable. *Carried*

Moved by Mr. SIGMUND SAMUEL, seconded by Mr. T. D'ARCY LEONARD, and

Resolved—That the thanks of the Shareholders be tendered to the President, Vice-Presidents and Directors for their valuable services to the Bank. With this is coupled an expression of our thanks for and our appreciation of the loyal and efficient manner in which the Executive Officers and Staff have discharged their duties during the past year. *Carried*

Moved by Mr. D. E. KILGOUR, seconded by Mr. H. W. FALCONER, and

Resolved—That the Scrutineers cast one ballot for the election of the following named gentlemen as Directors of The Bank of Toronto:

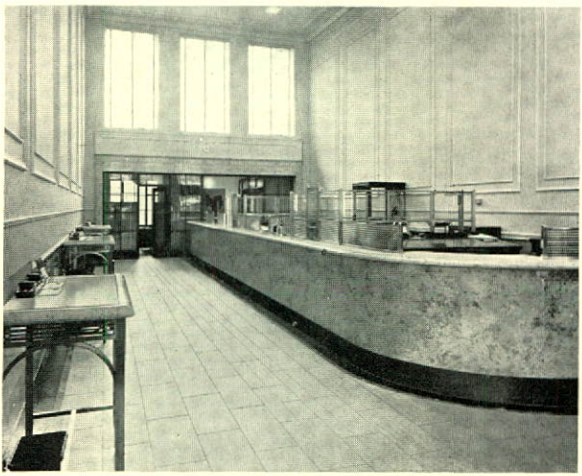
PAUL J. MYLER	MAJOR-GEN. FRANK S. MEIGHEN
FREDERICK K. MORROW	J. DOUGLAS WOODS
GEORGE KIDD	AUBREY DAVIS
EDWARD D. GOODERHAM	HARRY J. CARMICHAEL
HORACE T. HUNTER	ARTHUR H. CAMPBELL
R. L. BEATTIE	JOHN J. VAUGHAN
JOHN R. READ	J. J. E. MCCAGUE
F. H. MARSH	JAMES L. CARSON

The Scrutineers reported the ballot in favour of the above named gentlemen and the Chairman declared them duly elected.

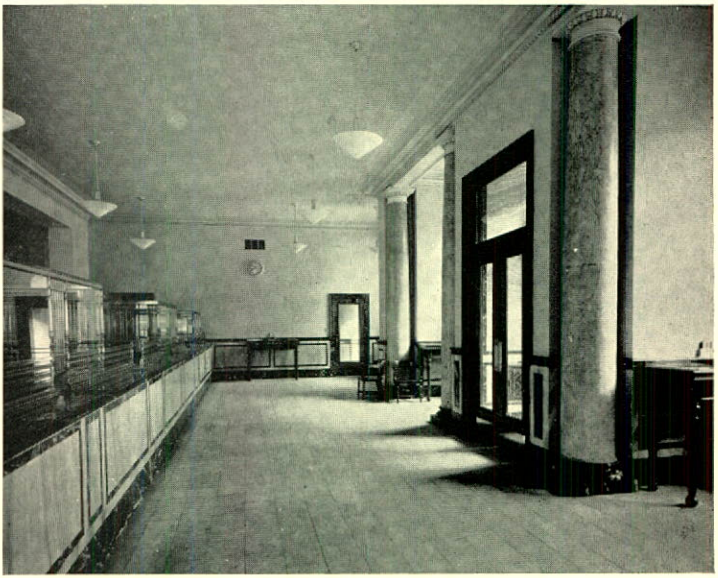
At a subsequent meeting of the new Board, Mr. F. H. MARSH was elected President, Mr. PAUL J. MYLER and Mr. JAMES L. CARSON, Vice-Presidents.

By Order of the Board,

B. S. VANSTONE,
General Manager.



EXTERIOR AND INTERIOR VIEWS OF
THE BANK OF TORONTO. YONGE AND ST. CLAIR BRANCH. TORONTO



EXTERIOR AND INTERIOR VIEWS OF
THE BANK OF TORONTO, ST. CATHARINES BRANCH

...BRANCHES...

ONTARIO

Toronto, King St. W., cor. Bay St. (Main Office)	R. J. Burtis,	Manager.
	H. S. Chambers,	Asst. Mgr.
" Bloor & Bay Sts.	J. H. Brown,	Manager.
" Bloor & Jane Sts.	C. P. Roper,	"
" Bloor & Royal York Rd. (Kingsway)	J. Harding,	"
" Church & Wellington Sts.	W. Miller,	"
" Danforth & Dewhurst	W. S. Dick,	"
" Dundas & Keele	T. W. Harper,	"
" Dundas St., cor. Ossington Ave.	G. M. Kennedy,	"
" Dundas St., cor. Roncesvalles Ave.	H. E. Burns,	"
" Eglinton & Avenue Rd.	A. B. Clarke,	"
" Eglinton & Bathurst St.	R. P. Wright,	"
" Eglinton & Heddington Ave.	J. R. Clark,	"
" Elm St., cor. Elizabeth St.	H. J. Carmichael,	"
" King St. W., cor. Bathurst St.	S. G. Leonard,	"
" Mt. Pleasant Rd., cor. Belsize Drive	J. A. MacDonnell,	"
" Queen & Kenilworth Ave.	W. D. Cooper,	"
" Queen E. & Logan Ave.	L. S. Barr,	"
" Queen St. E., cor. Parliament St.	H. R. Warren,	"
" Queen St. W., cor. Spadina Ave.	Jas. Stewart,	"
" St. Clair & Bathurst St.	A. J. Lunn,	"
" St. Clair Ave. and Christie St.	C. D. Valpy,	"
" Yonge St., No. 205, opp. Albert St.	E. Brown,	"
" Yonge St. & Bedford Park Ave.	H. A. Daykin,	"
" Yonge St. & Belsize Drive	J. E. H. Campbell,	"
" Yonge St. & St. Clair Ave.	R. C. Waram,	"
Allandale	F. Stevenson,	"
Alliston	G. M. Lawrence,	"
Barrie	H. R. Nettleton,	"
Bethany (Sub to Peterboro)	A. H. A. Padgham,	"
Brantford	D. McLennan,	"
Brockville	B. F. A. Lewis,	"
Burford	R. J. Sim,	"
Cardinal	G. D. Gowans,	"
Carlisle	(Sub to Freelton)	"
Clarksburg	G. E. Liesemer,	"
Cobourg	A. C. Hodgetts,	"
Coldwater	Jas. Milmine,	"
Collingwood	O. G. Bernhardt,	"
Copper Cliff	R. Gray,	"
Creemore	R. F. Champion,	"
Creighton Mine	A. B. Diack,	"
Dorchester	I. G. Weylie,	"
Dunnville	F. C. Millard,	"
Elmvale	W. N. Bradley,	"

Everett	(Sub to Alliston)	Manager.
Feversham	H. C. Francis,	"
Fort William	C. C. Eddy,	"
Freelton	C. N. Robinson,	"
Frood Mine	(Sub to Sudbury)	"
Galt	P. J. Wright,	"
Gananoque	J. H. Mills,	"
Garson Mine	(Sub to Sudbury)	"
Hamilton, 37 James St. S. (Main)	F. S. Potter,	"
" Aberdeen & Dundurn St.	D. E. Morgan,	"
" Market Branch	C. J. Davey,	"
Havelock	S. J. W. Clarke,	"
Keene (Sub to Peterboro)	D. D. Brown,	"
Kerwood	A. MacKay,	"
Kingston	A. C. Edward,	"
Kitchener	W. E. Sharpe,	"
Levack	H. G. McKillop,	"
London (Main Office)	J. R. Wright,	"
" City Hall Branch	T. C. Margrett,	"
" East End Branch	K. S. King,	"
" Market Branch	M. S. Hargreaves,	"
Lyndhurst	W. P. Bilger,	"
MacTier (Sub to Parry Sound)	M. Weller,	"
Markdale	A. E. Hunt,	"
Meaford	H. L. Knight,	"
Millbrook	H. A. Kerr,	"
Morriston	(Sub to Freelton)	"
New Lowell	(Sub to Stayner)	"
Newmarket	H. E. Lambert,	"
Oakville	H. R. Cluff,	"
Oil Springs	H. B. Newton,	"
Omemee	T. B. Chester,	"
Orangeville	G. T. Sullivan,	"
Ottawa, 106 Sparks St. (Main)	Geo. Hay,	"
" Ottawa South	J. H. Smith,	"
" Union Station Branch	V. R. Tufford,	"
" West End, 1726 Wellington	W. M. Weylie,	"
Owen Sound	S. R. Way,	"
Paris	F. Mount,	"
Parry Sound	F. N. Hurst,	"
Penetanguishene	C. H. Smith,	"
Peterboro	J. L. Thompson,	"
Petrolia	A. C. Lord,	"
Port Hope	E. G. Britton,	"
Preston	W. A. McEvoy,	"
St. Catharines	E. J. H. Vanston,	"
St. Marys	S. G. Page,	"

Sarnia	J. W. Simpson,	Manager.
Seeley's Bay	(Sub to Lyndhurst)	"
Shelburne	H. A. Livingstone,	"
South Porcupine	W. S. McDowell,	"
Stayner	L. A. Gould,	"
Stratford	F. A. Maples,	"
Sudbury	W. E. Van Norman,	"
" North End	H. Nightingale,	"
Thornbury	G. E. Liesemer,	"
Trenton	B. F. Joyce,	"
Walkerville	L. N. Hicks,	"
Wallaceburg	G. E. Armstrong,	"
Waterloo	J. S. McMillan,	"
Welland	J. E. Curry,	"
Windsor	W. H. Hiscock,	"
Wyoming	F. O. Johnston,	"

QUEBEC

Montreal, Main Office (St. James St., cor. McGill)	J. J. Winsby,	Manager.
	R. J. Fox,	Asst. Mgr.
" Atwater Ave., cor. St. Antoine	C. A. Dixon,	Manager.
" Bernard & Hutchison	H. B. Anderson,	"
" Board of Trade	I. J. Hutton,	"
" Maisonneuve	E. J. Valois,	"
" Peel St., No. 1232	B. M. Currie,	"
" St. Catherine St., cor. Guy	A. H. Walsh,	"
" St. Catherine St. E., No. 1490	R. Mutch,	"
" St. Hubert & Belanger Sts.	J. E. Long,	"
" St. Lawrence Blvd. & Ontario St.	H. L. Lennon,	"
" Sherbrooke & Claremont, Westmount	A. K. Young,	"
" Van Horne Ave., No. 1555 Outremont	W. J. Strathdee,	"
Gaspé	W. W. Annett,	"
Malartic	E. Latimer,	"
St. Lambert	B. C. Case,	"

MANITOBA

Winnipeg, 454 Main St. (Main)	S. B. Chamberlain,	Manager.
	M. E. Kerr,	Asst. Mgr.
" Academy Rd. & Niagara St.	G. A. R. Ferguson,	Manager.
" Portage & Edmonton	W. W. Wright,	"
" Sherbrooke & Westminster	James Souter,	"
Benito	C. F. Drager,	"
Cartwright	A. B. Fee,	"
Pilot Mound	M. C. Manhard,	"
Rossburn	N. Toland,	"
St. Boniface, (Union Stock Yds.)	G. R. Tucker,	"
Swan River	F. F. Osborn,	"
Transcona	W. R. Lawrie,	"

SASKATCHEWAN

Assiniboia	Geo. Kay,	Manager.
Bredenbury	J. E. Conn,	"
Colonsay	J. C. Thom,	"
Glenavon	P. R. Fleming,	"
Glidden	(Sub to Madison)	"
Gravelbourg	V. E. French,	"
Hodgeville	W. R. Topham,	"
Kipling	L. Gemmill,	"
Kyle	B. Collins,	"
Lafleche	E. R. Ridgway,	"
Langenburg	C. E. Beirnes,	"
Madison	Robert Steel,	"
Mazenod	J. W. Runge,	"
Meyronne	C. H. Langridge,	"
Montmartre	J. M. Reinheimer,	"
Neilburg	C. L. Thompson,	"
Preeceville	J. B. Simpson,	"
Regina	G. A. Hetherington,	"
Rosetown	H. W. Thompson,	"
Smiley	E. B. Little,	"
Welwyn	H. R. Chapin,	"
Wolseley	R. H. Wilson,	"
Yorkton	W. J. Miller,	"

ALBERTA

Barrhead	T. R. Menzies,	Manager.
Calgary	F. C. Burnet,	"
Clandonald	G. F. Stonehouse,	"
Coronation	H. L. Staples,	"
Edmonton	W. Kerr,	"
Marwayne	O. C. Cornwell,	"
Oyen	H. Desroches,	"

NORTHWEST TERRITORIES

Yellowknife	J. E. Boyle	Manager.

BRITISH COLUMBIA

New Westminster	C. D. McMillan,	Manager.
Pioneer Mine	E. P. Rush,	"
Vancouver, Main Office	W. B. McCririck,	"
" (Hastings & Seymour Sts.)	S. G. Bickley,	Asst. Mgr.
" Burrard & Robson Sts.	A. Logan,	Manager.
" West Georgia St., 545,	W. A. Walters,	"
" Kerrisdale Branch	J. McKendrick,	"
" 10th Ave. & Alma Road	W. Dickie,	"
" 12th Ave. & Granville	S. H. Abrams,	"
Victoria (Main Office) Yates & Broad Sts.	C. W. Pangman,	"
" Douglas St.	S. D. Markham,	"

THE BANK OF TORONTO, EGLINTON AND AVENUE ROAD BRANCH, TORONTO

THE BANK OF TORONTO, BLOOR AND JANE STREET BRANCH, TORONTO

AGENTS

BRITISH AND FOREIGN

GREAT BRITAIN and IRELAND	Midland Bank, Limited.
AFRICA (South)	Barclays Bank (Dom. Col. and Overseas).
AUSTRALIA	Bank of Australasia.
CHINA	National City Bank of New York.
INDIA	National City Bank of New York.
NEW ZEALAND	National Bank of New Zealand.
SWEDEN	Goteborgs Handelsbank.
SWITZERLAND	Banque Populaire Suisse.
do.	Union Bank of Switzerland.

UNITED STATES

ALBANY, N.Y.	National Commercial Bank & Trust Company.
BALTIMORE, MD.	Maryland Trust Company.
BOSTON, MASS.	Brown Bros. Harriman & Co.
do.	First National Bank of Boston.
do.	National Shawmut Bank of Boston.
BUFFALO, N.Y.	Manufacturers & Traders Trust Company.
do.	Marine Trust Company of Buffalo.
CHICAGO, ILL.	Continental Illinois National Bank & Trust Co.
do.	First National Bank of Chicago.
CINCINNATI, OHIO	Fifth, Third Union Trust Company.
do.	First National Bank.
CLEVELAND, OHIO	Central National Bank of Cleveland.
DETROIT, MICH.	National Bank of Detroit.
LOS ANGELES, CAL.	Bank of America Nat'l Trust & Savings Ass'n.
do.	California Bank.
MINNEAPOLIS, MINN.	Brown Bros. Harriman & Co.
do.	First National Bank & Trust Co.
NEWARK, N.J.	Merchants & Newark Trust Co.
NEW YORK, N.Y.	Bank of The Manhattan Co.
do.	Bankers Trust Company.
do.	Brown Bros., Harriman & Co.
do.	Chase National Bank of New York.
do.	Chemical Bank & Trust Co.
do.	Commercial National Bank & Trust Co.
do.	Empire Trust Company.
do.	Guaranty Trust Company of New York.
do.	Irving Trust Company.
do.	J. P. Morgan & Co., Inc.
do.	National City Bank of New York.

AGENTS—UNITED STATES—*Continued*

PHILADELPHIA, PA. . Brown Bros. Harriman & Co.
do. . . Corn Exchange National Bank & Trust Co.
do. . . Market St. National Bank.
do. . . Philadelphia National Bank.
PORTLAND, ORE. . . United States National Bank.
ST. LOUIS, MO. . . Boatmens National Bank.
SAN FRANCISCO, CAL. American Trust Company.
do. . . Bank of America National Trust & Savings Ass'n.
do. . . Pacific National Bank.
SEATTLE, WASH. . . Seattle First National Bank.
do. . . People's National Bank of Washington.

The following comparative figures taken from the Annual Statements show the growth of the Bank since its Incorporation

Year	Capital and Reserves	Deposits	Loans and Investments	Assets
1857	$ 439,148	$ 263,100	$ 1,103,078	$ 1,268,413
1864	926,803	863,660	1,791,315	2,323,564
1874	2,430,998	2,711,485	5,299,020	6,425,688
1884	3,114,060	4,447,320	7,802,030	9,039,959
1894	3,871,166	8,607,149	11,210,246	13,949,362
1904	6,413,284	17,044,603	21,334,522	27,189,506
1914	11,402,810	44,924,980	45,939,033	61,929,363
1924	**12,239,115**	**77,731,761**	**79,483,268**	**103,508,897**
1934	**15,737,173**	**93,713,726**	**93,778,180**	**120,161,618**
1944	**19,486,609**	**277,074,656**	**251,450,775**	**302,040,301**

Paid-up Capital - - - $ 6,000,000
Reserve Fund - - - 12,000,000
Profit and Loss Account - 1,486,609
$19,486,609